

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index fell by \$2/t yesterday to US\$510/t, MTD US\$515.20/t.

Tangshan government started requiring local steel mills to intensify production restrictions from 18 September with the end date yet to be determined, while the capacity utilisation rate was estimated to have been down by 1.6pc after the decision.

A large Chinese mill kept SS400 HRC offer unchanged at \$535/t fob for December shipment as it has sold out November shipment coils last week at around \$515/t fob China. Another mill cut its offer sharply by \$15/t to \$510/t fob, indicating its willingness to export amid the falling trend after both Chinese physical and paper markets fell. Traders were keeping short selling at offers as low as \$515-520/t cfr Vietnam for November shipment and even \$505/t cfr Vietnam for December shipment. (Argus)

## EHR

European hot-rolled coil (HRC) prices continued to rise yesterday as domestic producers still had a captive market, and North-Western mills sold into the south.

Argus' daily benchmark northwest EU HRC index rose by €2.25/t to €483.75/t ex-works, taking the month-to-date average to €470.68/t. The daily Italian index rose by €1.50/t to €479.75/t.

Buyers in the north were concerned about Covid-19 and returning capacity, after ArcelorMittal confirmed on 18 September that it would restart blast furnace one at Fos-sur-Mer in France. Service centers confronted with high offers were also concerned about the outlook for real demand headed into the fourth quarter, as well as softening Asian prices. On the LME fob China HRC contract, October was bid \$36.50/t lower yesterday afternoon compared with the morning, while the Shanghai Futures Exchange HRC contract also fell earlier in the day. Argus' fob China HRC index slipped by \$2/t today to \$510/t fob. (Argus)

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## Turkish Scrap

Turkish scrap prices flat as week starts without fresh deals

Prices stable

Market waits for new bookings

Weaker outlook for EU scrap

Turkish scrap prices continued to move sideways as market participants waited for fresh bookings to show new price direction, sources said Sept. 21. According to a market watcher, some EU suppliers may be more flexible with their target prices, possibly ready to consider sales of HMS 1/2 (80:20) at around \$290-\$293/mt CFR Turkey, on the back of the Euro's weakening against the US dollar on the day. One trader also believed \$290-\$293/mt CFR or less was workable for the EU-origin material. He also expected new transactions to close around \$295/mt CFR for the US and Baltic origin heavy melting scrap. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	295.50	0.00	298.27
Steel Rebar FOB Turkey (\$/mt)	455.00	0.00	455.93
Argus HRC NW Europe (€/mt)	483.75	2.25	470.40
Argus FOB China HRC (\$/mt)	510.00	-2.00	515.20

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-20	500	510	505
Oct-20	479	489	484
Nov-20	477	489	483
Dec-20	477	485	481
Q4 20	477	487	482
Q1 21	472	482	477

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-20	293	303	298
Oct-20	292	303	298
Nov-20	292	300	296
Dec-20	288	298	293
Q4 20	290	300	295
Q1 21	288	298	293

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-20	458	468	463
Oct-20	450	460	455
Nov-20	450	460	455
Dec-20	448	460	454
Q4 20	450	460	455
Q1 21	445	455	450

BUSHELING			
	Bid	Ask	Value
Sep-20	280	300	290
Oct-20	310	326	318
Nov-20	317	327	322
Dec-20	322	332	327
Q4 20	316	328	322
Q1 21	325	335	330

US HRC USD/short ton			
	Bid	Ask	Value
Sep-20	545	555	550
Oct-20	580	590	585
Nov-20	580	590	585
Q4 20	580	590	585
Q1 21	580	590	585
Q2 21	576	586	581

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-20	465	485	475
Oct-20	475	485	480
Nov-20	475	495	485
Q4 20	470	490	480
Q1 21	458	478	468
Q2 21	455	475	465